Restaurant Business

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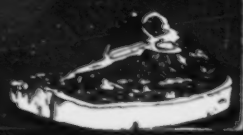

Restaurant Business

SEPTEMBER 1, 1982 VOL. 81, NO. 11

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Cover By James Montalbano

Restaurant Business
Cover Story

New Angles in Advertising

By T. Patrick Harris

Close-up shots of juicy hamburgers, strings of cheese dangling from a slice of pizza and the pretty, smiling faces of courteous employees represent a new direction for foodservice advertising. Following a recent period of flat sales which hurt advertising budgets, customer traffic is on the rise again and marketing executives are taking a more bullish approach towards spending. In 1981, chains pumped a record $492 million into network and local TV advertising, almost twice the amount spent by any other retail category. During the first quarter of 1982, TV expenditures were up 33 percent for the Top 15 restaurant advertisers.

In this issue, *Restaurant Business* examines the campaigns and strategies behind the juicy hamburgers and smiling faces. We also present a list of the top 15 restaurant television advertisers and how much they spent; plus an intriguing look at cable television—its problems and potential.

Across the nation, images of juicy hamburgers, fresh seafood, and gooey strings of cheese dangling from pizza are being held before smiling faces. It is the new direction of foodservice advertising.

Scene: Between top 40 hits and the evening news, a homeward bound commuter unconsciously begins tapping his toes to the catchy jingle from a restaurant radio commercial.

Scene: A woman is cleaning house shortly before her husband is due home from work. She pauses in front of the television in time to see a thick wedge of lemon being squeezed over a freshly prepared plate of fish.

To the marketing executive who has authorized the above "flights" the ideal scene comes when the breadwinner arrives home. Not coincidently, shortly after hearing the "drive-time" radio spot, he decides to treat his wife and asks if she would like to go out to dinner. "Sure," she replies brightly. He responds by asking where. The woman, who just minutes before saw droplets of juice burst out of a lemon, says she'd like seafood. She then names a well-known seafood chain.

Across the nation beautifully televised images of juicy hamburgers, fresh seafood and long, gooey strings of cheese dangling from pizza slices are being held before smiling faces. It is the new direction of foodservice advertising, and the airwaves of the nation are being saturated with aural and visual images of beautiful food. It is also representative of a rebounding marketing effort within the industry. After experiencing soft customer counts in 1979, following almost five years of growth, advertising budgets were hurt by flat sales and increased media costs. Marketing strategies were re-evaluated as well.

Now, however, the nation's fast food operators—the industry's leader in advertising—have committed themselves to an aggressive attack. According to the Television Bureau of Advertising (TVB), this offensive is reflected in a 33 percent increase in network and local expenditures for the first quarter of 1982, compared with 1981. In addition, the hard hitting, televised approaches have been picked up by some dinnerhouse and family restaurant chains such as Red Lobster, Casa Gallardo, Pizza Hut and Denny's.

Part of this strategy has been the halting of the downward slide of customer traffic. Stabilized in early 1981, that year closed with a two percent increase in traffic over 1980. While traffic remains approximately four percent below that of 1979, the National Restaurant Association says the upward trend is continuing with a 5.2 percent increase for the first quarter of 1982. Aside from the increase in advertising budgets from the accompanying sales growth, many marketing executives are taking a more "bullish" approach now than before when counts were soft.

Richard Good, president of R.T. Good & Associates, a management consulting firm specializing in the foodservice industry, observes that the present, aggressive advertising effort is critical to sustaining profitable performance in foodservice operations. "The eating out patterns of consumers for the past three years have more or less paralleled the economic state of the nation as a whole," he says. "Since mid 1981 certain factors, such as a reduced inflationary rate and increased personal income, have contributed to increased visitation to restaurants. Sales are now increasing and marketers are jumping on this trend in an attempt to gain more market share. But without a thoroughly coordinated, overall marketing strategy the increased spending is not necessarily cost effective," he cautions.

Good, formerly involved in marketing for Procter & Gamble, Ponderosa, and CREST consumer reports, says that advertising strategies can only be conceived after all additional major elements of the overall strategy are in place. These elements, he says, are:

1. menu variety/quality level (including new product introductions);
2. service approach;
3. pricing/value relationships;
4. facilities approach, including upgrading or remodelling;
5. new unit expansion plans;
6. positioning versus competition;
7. evaluation of past competitive performance; and

Burger King utilizes appetizing product photography to stress its claim as the "quality alternative" in fast food.

Burger King's "Aren't you hungry?" campaign.

BK will spend $60 million on TV in 1982.

8. sensitivity to external economic factors and demographic trends.

Once these elements are in place, he says, the advertising, or marketing communications strategy, can be implemented. "Advertising planning and execution involves five major elements," Good explains. "Basically, they take you from the beginning to the end through setting sales and profits goals, determining the media plan, getting your creative together and then executed, and finally trying to determine what you've gained from it all."

Appetizing approach

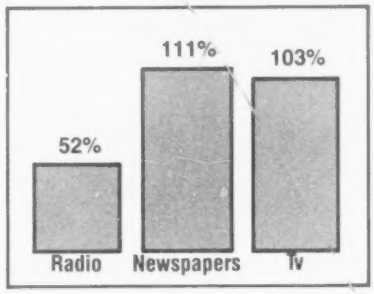
Kyle Craig, a senior vice president and director of marketing for Burger King, agrees with Good and says the hamburger chain's goal of $1 million in per unit sales (by 1985) is based upon a four point strategic plan. Craig says the plan includes: menu development, upgrading facilities; aggressive marketing; and operational consistency.

"It's true that you have to coordinate all the different ends of the operation to develop a truly effective advertising attack," he says. "We've done that and we are going with what we see as our strength, the quality of our products."

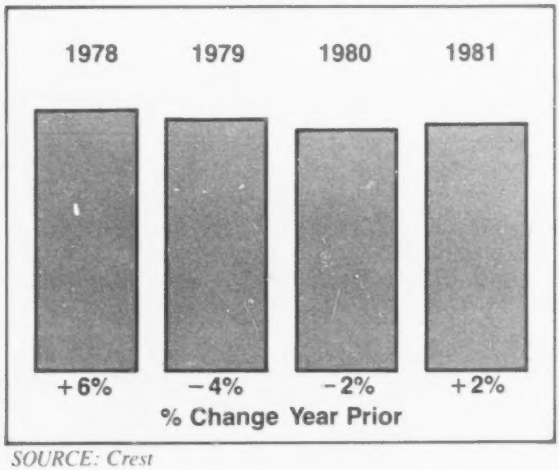
Craig, who sees Burger King as the "quality alternative" in fast food, says that the new "Aren't you hungry?" campaign consequently focuses upon some rather outstanding product photography. The campaign, which was created in six weeks by the J. Walter Thompson agency, will eat up approximately $60 million in network and local television time this year, an increase of eight percent from the year before.

"Aggressive marketing is really the kingpin right now," says Craig. "Consumers are returning to the restaurants and we want to make

Cost Per Thousand: Percent Increase
1967-1979

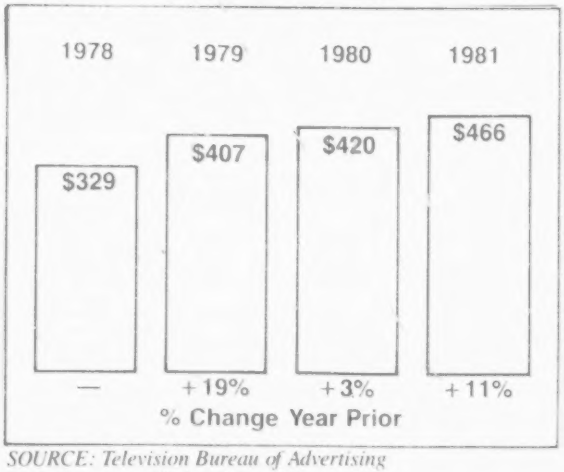


Annual Customer Traffic Trend

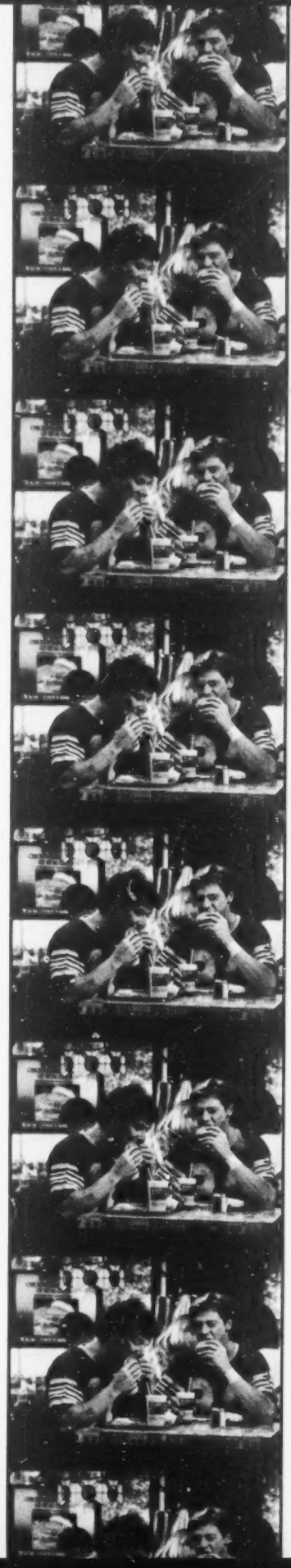


SOURCE: Crest

Restaurant Television Advertising Expenditures
Millions of Dollars



SOURCE: Television Bureau of Advertising
Includes network TV and spot TV



sure we get our fair share of the action."

Craig says that despite the growing emphasis in the fast food and dinner house segments on food photography, the impact of the Burger King campaign has not been lessened. "We have been going with food for longer than anyone else, and we feel the campaign is building strength." On the air since January, Craig says the campaign is already familiar to millions of consumers.

Versatile umbrellas

Marketing executives contacted by *Restaurant Business* agree that quality products can be expressed well with television commercials, but also claim that relying upon this product photography alone is insufficient. Rather, they say, it is a fine vehicle when used under an all-encompassing, versatile, and creative umbrella.

Denny Lynch, a corporate spokesman for Wendy's, says the company is using this philosophy with the "Wendy's kind of people" campaign. This campaign, rolled out in early July, is two-fold with accents on food photography and "mirror image" people.

"The 'Wendy's kind of people' campaign is broad enough to allow us a great deal of flexibility for further creative development without substantially altering the basic message of a quality product and a discriminating consumer," says Lynch. For example, he points out that some of the radio spots which support the campaign are keyed towards the nutritional aspects of the salad bar.

According to Lynch, the W.K.O.P. campaign was introduced simultaneously, nationwide, on both radio and television. First aired in July, Wendy's will spend close to $70 million for the television broadcasts, with $55 million going into local buys and $15 million into network. Approximately $14 million will be spent on radio broadcasts.

Like Burger King's Craig, Lynch agrees that the marketing strategy must be totally coordinated with the advertising effort to be effective. He says the new campaign, highlighting people, is particularly useful towards attracting new customers who are seeking alternatives to other fast food chains. It is directly tied to the corporate goals of seeing the system grow to 4,000 units by 1990, he says.

Evolutionary executions

Finding the proper specific executions, or slogans, is of key importance, especially in the competitive environment of fast food and mid-price dinnerhouse operations. According to many marketing executives, these slogans, or ad themes, ideally should be an evolutionary creation, as opposed to a revolutionary concept. That is, they must build on past advertising equity in order to keep the restaurant's image consistent in the consumer's mind and make (costly) advertising more cost effective. They must also be careful to avoid over-promising in such areas as quantity of food and speed of service. When using food photography as the key element, the advertised product must be consistent with the final presentation to the consumer.

Both Burger King and Wendy's, who each claim title to the quality position, are particularly concerned with the "evolutionary" aspects of their campaigns due to the vast difference in spending between themselves and McDonald's. McDonald's outpaces the industry each year in expenditures for advertising and in 1981 spent a total of $129.3 million on network and local television advertising. By contrast, Wendy's and Burger King combined spent a total of $70 million.

In the first major advertising campaign rolled out by McDonald's new agency, Leo Burnett & Co., Chicago, the fast food giant also jumped on the quality bandwagon. "Quality: It's in the bag" first appeared in February as the theme for a series of TV spots featuring menu items. The tag line is also used in promotions offering game cards and prizes. On August

"Wendy's kind of people" highlights food.

15, McDonald's introduced a new scratch card sweepstakes using Asteroids, Star Raiders, Missile Command and Centipede for game elements. "Taste the thrill of McDonald's" will run to Oct. 15.

"When you are outspent by a three to one ratio on advertising, you had better make sure you get the maximum bang for the bucks," says Craig, emphasizing the value of campaign consistency. While the present campaign has replaced the "Make it special, make it Burger King" line, which ran for two years before falling out of favor, Craig points to the "Have it your way" creative that endured from 1974 to 1980.

Wendy's, on the other hand, claims that the present campaign is not dissimilar to the "Ain't no reason" approach. "The 'Ain't no reason' and 'kind of people' executions essentially put out the same message that all of our past slogans have," says Lynch. "That is, a quality product, prepared from the freshest possible ingredients at the time you order it. The food and the preparation theme has always been there and always will."

In LaMirada, Cal., Barry Krantz finds that the present advertising being done by Denny's serves the dual purpose of enchancing the value and concept image of the chain. Based around the slogan "You'll like our prices, and you'll love our food," the campaign is very strongly slanted towards the product line offered by Denny's.

Krantz, marketing director, says the overall marketing strategy behind the campaign is to enhance the image of the restaurants. "The coffee shop image in the East is very much different from that on the West Coast," he says. The new campaign will address this image refinement by highlighting products such as grilled trout. The more subtle implications of this entree, aside from showing the menu diversity, promotes the upscale image of a low-priced family restaurant, he says.

Krantz says that the chain is now buying more network time than local, with more than 50 percent of its $15 million plus budget (*Restaurant Business* estimate) going into this category. (Of the top 15 restaurant and fast food chain advertisers, only Burger King, Kentucky Fried Chicken and Denny's spend more on network than local TV.)

> Only Denny's, Burger King and Kentucky Fried Chicken are now spending more on network than local TV. Marketers feel that local spots generate considerably more "bang for the bucks."

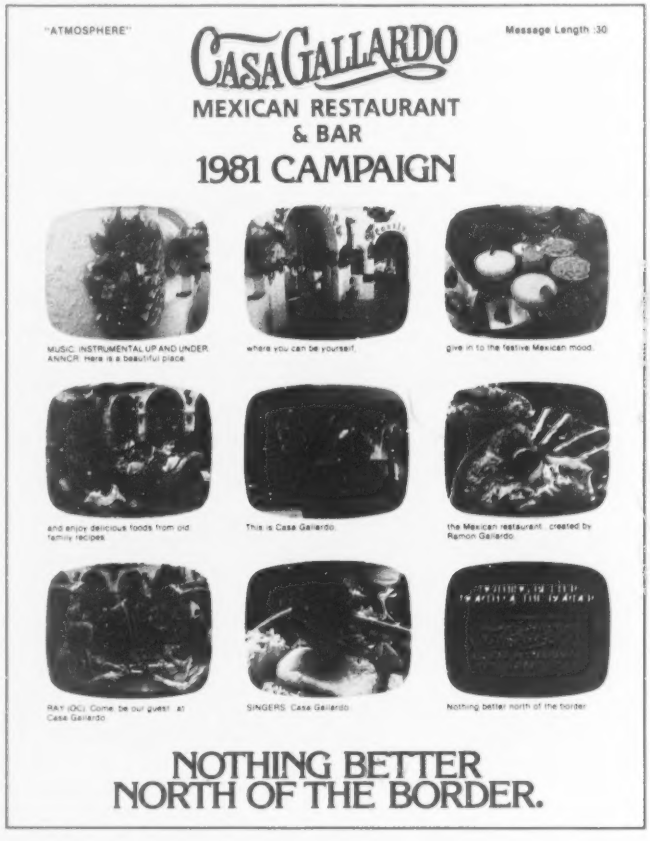
Krantz also says that he is buying limited radio airtime at present, to support the TV commercials and promotions.

Media mix and waste

There is a saw that circulates among marketing executives that says: "50 percent of advertising is wasted. The problem is, which 50 percent." While many disagree with the exact split of waste to productive advertising, almost all agree that there is waste and that identifying it is the most difficult part. Many attribute this waste to broadcasting beyond the restaurants customer base. Despite this, marketing personnel feel the most cost-effective method of advertising, on a cost-per-thousand-viewers basis, is television. As a result, 70 percent of the total marketing budgets of major foodservice companies is spent on television.

In addition to TV's strong consumer reach, says Richard Good, there is the intangible, but recognized, element of the fine visual presentation possible only on televi-

Casa Gallardo spots all feature founder Ray Gallardo.


"ATMOSPHERE"
Message Length :30
CASA GALLARDO
MEXICAN RESTAURANT
& BAR
1981 CAMPAIGN
MUSIC: INSTRUMENTAL UP AND UNDER.
ANNCR: Here is a beautiful place
where you can be yourself.
give in to the festive Mexican mood.
and enjoy delicious foods from old family recipes.
This is Casa Gallardo.
the Mexican restaurant, created by Ramon Gallardo.
RAY (OC): Come, be our guest...at Casa Gallardo.
SINGERS: Casa Gallardo.
Nothing better north of the border.
NOTHING BETTER
NORTH OF THE BORDER.

> There is less agreement on the effective use of radio. Radio audiences are more segmented, or vertical, giving the savvy marketer an opportunity for a "rifle shot" approach.

sion. "Nothing really sells like appetite appeal, and that is what is really behind all the 'beautiful food' stuff we are seeing now," he says. "When you break these images down into black and white, for say newspaper advertising, they lose their impact."

And while the reach and impact of TV are unquestionably there, so is the prohibitively high cost to many small chains and independents. For these operators, says Good, there is no sense wasting money on television unless their resources can support a sustained campaign. "Don't forget," he points out, "that an over-long hiatus from television pretty much nullifies the equity that you have built from previous flights. And a one-shot deal is just wasting your money. There is near zero retention in that situation and retention is the name of the game."

Good recommends that those operators that can afford $6 million for a campaign use a formula based upon the multiplication of sales goals times corporate advertising/sales. This will give you a total marketing budget, he explains, noting that approximately 10 percent of that figure should go to non-media costs such as production, print preparation, talent residuals, etc.

In determining the media mix, there is less agreement on the effective use of radio. While the cost of advertising via radio has remained relatively stable compared to television and print costs, the audience is very segmented. Unlike TV, which has a very broad appeal, being similar in that respect to newspapers, radio audiences tend to be more narrow, or "vertical."

Denny Lynch says that Wendy's takes advantage of this situation by targeting its radio commercials to young adults aged 18 to 24. By contrast, says Lynch, television commercials are aimed at a "total adult" audience. Lynch also believes that there is more versatility and creative opportunities in radio. "You play to your customer's imagination, and you can say even more that way," he says. "One of our spots, for example, illustrates a person seeking a quality hamburger in 'the other hamburger' place. On television, we could never do that without showing the competition."

In recent years, the newspaper has become a 20th century Coliseum in which chains battle each other with coupons and other deals. The wisdom of such deals aside, the choice of that particular medium is excellent for such usage, say many marketers. "Newspaper couponing gives you one great advantage over electronic forms of advertising," says Ken Hustel, vice president of the newspaper advertising bureau. "And that is you know almost immediately what type of response you are getting. There is no way that any electronic medium can give you such an absolute reading, or measuring, of advertising effectiveness."

Dinner houses enter TV

Traditionally, dinner houses have not gone into television because for this market segment that medium was not cost effective. This, however, has changed due to the increasing sales volumes of the units and the number of chain dinner houses now in the marketplace. The most visible example of this is the Red Lobster Inns, owned by General Mills, and, to a lesser degree another General Mills chain, the Casa Gallardo Mexican restaurant division. (Red Lobster spent $24.5 million in local TV advertising in 1981 with '82 first quarter spending up 13 percent.)

The General Mills people generally keep their advertising strategy

Wendy's campaign stresses discriminating consumers.

cards close to their collective chest. It is no secret,however, that the Orlando-based corporation is implementing their long-term goal of increased market share through a strategic interweaving of new unit locations and television advertising.

And so, despite the differences between Red Lobster, York Steak House, Darryl's, Casa Gallardo and Good Earth, these mid-price restaurants share at least one common strategic goal: new units of each are being built within, or adjacent to, the same television marketplace, or ADI. (Technically, an ADI, or area of dominant influence, is a geographic area in which the home market station receives a preponderance of total viewing hours. There is no effective difference between ADI's and DMA's except that the A.C. Nielsen company rates by DMA and Arbitron rates by ADI.)

The clustering of new units into ADI's has some obvious, and more than a few subtle, advantages.

Joe Lee, General Mills group vice president—restaurants, says the most cited advantage is the added value of local television advertising. With restaurants clustered in the same ADI, the "flights" of the commercials benefit all units within the area. The company saves money by avoiding running the same commercials in another marketplace with fewer restaurants, and further avoids the possible expense of reproducing the commercials to conform with regional consumer trends.

"After 14 years, Red Lobster is clustered in many markets; I hope that in 14 years I will be saying that of our newer concepts as well. However, each of our concepts develops its own expansion strategy."

Lee says that as the various General Mills restaurant chains grow, they will do so on a regional basis through adjacent ADI's to take advantage of "spill over" signals. (As a bonus, says Lee, by pursuing a cluster development plan, further gains are made through distribution efficiency and better unit supervision by regional management.)

Bob Andersen, director of marketing for the 12-unit Casa Gallardo chain, based in St. Louis, agrees that there is "considerable" waste in advertising. To minimize this, he says, all advertising and promotional efforts are based upon exhaustive corporate evaluations of consumer studies in the targeted regions. Through these studies (purchased out-of-house) the company learns exactly who their patrons are, what demands they have, and where the restaurant stands in the marketplace.

Based upon this research and analysis, Casa Gallardo, with $24 million in chainwide sales, is now airing two different television campaigns. Going along with the new wave of "beautiful food" photography (as is sister chain Red Lobster), one of the commercials highlights food, the other stresses atmosphere, and both are 30 second spots with founder Ramon Gallardo as the "star."

Presently, both the food and atmosphere commercials are being concentrated in ADI's with Casa Gallardo units to further develop those marketplaces, says Andersen. The division plans to open 15 to 20 new units within these ADI's over the next five years.

Another dinner house that has entered the television marketing

For small chains or independents, print media is generally the most cost-effective method of advertising. For the 22 unit Velvet Turtle chain, a division of the Saga Corporation, newspapers and city magazines are used effectively for special promotions. By running in black and white, the same copy and art work can be used in both media without incurring additional expense, such as the ads seen here. Some marketers avoid placing such materials in dining out or entertainment sections of papers or magazines because the ads, particularly undersized ones, are lost in the clutter. Velvet Turtle uses print advertising not only for brand awareness, but also to highlight promotions scheduled during special events such as Mother's or Father's Day.

Enter "THE GRAND DESSERT SEARCH" RECIPE CONTEST.
WIN DINNER FOR TE
3102 East Camelback Road
Phoenix, Arizona 85016
The Velvet Turtle
A Flower for my Lady
Compliments of The Velvet Turtle
3102 E. Camelback Road
Phoenix, 957-7180
The Velvet Turtle

scene is Chi Chi's, a franchised chain of Mexican dinner houses. In Oklahoma City Vince Orza, vice president of marketing for Kelly Johnston, a 16-unit franchisee, says he is now advertising on television 365 days per year. But four years ago he started with a "throw-away" budget of $1,000 and a single, 10 second commercial. "Television advertising can be cost-effective with almost any budget," he says. "What you need to do is look very carefully at what you are doing and eliminate any extraneous information."

Orza notes that the focus of his Chi Chi's commercials runs counter to the industry. "I rarely show a food product shot. Selling the benefits are better than trying to sell the food. The food is obvious, so why waste time—and on TV, time is very much money." Instead, says Orza, who works on a total marketing budget of approximately $1 million, Chi Chi's, via Kelly Johnston, stresses price. "We've taken the principles of print and applied them to broadcast," he says. The announcer in the commercials, an attractive young woman, stands in front of an oversized logo, a slight deviation from the standard print ad, he says. Other ads, most of which are 10 second spots designed to minimize cost and maximize retention, stress how inexpensive a dinner at the restaurant is despite the upscale appearance of the units.

Orza adds that the ads are targeted towards women. "While the male may be the breadwinner and is the one who suggests going out to dinner, he asks his wife, or date, where she would like to go. We want her to say Chi Chi's and that's why we target our ads at her."

Pizza Hut has also joined the national trend of increased advertising expenditures on television. While marketing director Bud Gates says the company is "outspending inflation," first quarter figures released by the Television Bureau of Advertising show an increase in first quarter spending of more than 55 percent by Pizza Hut.

"We are still using the creative umbrella of the 'Home Town' campaign," says Gates, "but we've gone into a heavier food and people slant."

Gates says that "the Hut" is going to continue with the hard hitting approach to Pan Pizza, a thrust that began in 1980. "Part of our advertising message is telling people that pizza is not fast food. We show images of people sitting down and enjoying the product being served by a waitress."

Gates says that the company spends almost 60 percent of its television advertising budget on local buys. "While network television is more effective in reaching the people we want to reach on a cost per thousand basis, it cannot be as direct as locally targeted advertising," he says. "We've set up our program to achieve what we feel is an optimum balance between local and network. We want to have the reach with network and combine it with the hard hitting focus of local."

With the acceptance of a new franchise agreement last year, Pizza Hut franchisees and company units alike have boosted their contributions to the system's advertising budget. In addition to contributing 1.6 percent of sales to national advertising, the units are now also contributing two percent of sales for local TV advertising administered by local ad cooperatives.

With this approach, combined with additional funds from increasing sales and unit expansion, Pizza Hut has spent a total of $6.5 million on local and national buys in the first quarter of this year compared to $2.8 million in the first quarter in 1981.

Independents lack TV $

Generally, the independently owned operation lacks the sales volume to sustain any effective television advertising campaign.

Jim Degen, a *Restaurant Business* columnist who heads a marketing/consulting firm specializing in the food-service industry and deals mostly with independents says that independent restaurants "are wasting their time, generally" by consid-

Wendy's will spend $70 million on TV advertising.

ering television advertising. "In theory, they may produce a certain level of brand awareness, but there is no way they could compete with some of the slick commercials being produced by the chains. In essence, it is a function of money. You not only get a greater effectiveness by spending big bucks on the flights, but the quality of the product (the commercial) is also better because the chains can afford to hire the top agencies."

Degen says that for the independent restaurateur, who has limited resources available for marketing expenditures, there exist much fewer media options for advertising. However, he says, those remaining include radio, city magazines and local newspapers, which can be utilized in a cost effective manner.

"Radio is good because you begin to get that reach," he says, "and you can also find the target audience you are hoping to attract. Radio audiences tend to be quite segmented and this can work very much to the independent's advantage."

For example, he says, a restaurant with a clientele of young couples dining without children would most likely find a receptive audience through a radio station playing contemporary—but not hard rock—music.

There are also more effective ways to use print media than many restaurateurs are aware of because, says Degen, while they may run a fine foodservice establishment, they are often poor marketers. "Often you find a situation of a restaurant with declining sales, so the owner-manager figures he has to do something and then enters the high pressure newspaper space salesman. The next thing you know the salesman has sold him some small ad that is going to buried in the back of the entertainment or dining-out section of the publication."

Degen recommends that restaurants budget three to four percent of their sales for advertising/marketing instead of the one to two percent—if any—that is more commonly spent. In addition, he says that this figure can be effectively increased through barter. When trading meals for ads on a dollar for dollar basis, he explains, the cost of the ad is further reduced by the profit margin built into the meal.

> Now is the time to buy cable, if you are willing to take a chance. Because of competition and no solid audience measurement method, rates are low.

Another area where independents can increase their marketing power is by more effective signage. "You have to utilize what you've got already, and make the most of it," he says. Along these lines he says he has seen independent restaurants use busboys to stuff mailboxes with flyers during downtime, and waitresses giving out handbills to cars stopped at traffic lights.

"If you are spending less than two percent of your sales on advertising and marketing, you are better off putting it in the bank," he says.

New electronic media

Cable TV has become a common fixture in many American households, with 19 million subscribers in various parts of the nation linked by coaxial cables. Yet despite this

Top 15 Television Advertisers
1981 vs. 1980

	1981			1980		
	Network	Local	Total	Network	Local	Total
1. McDonald's	$ 54,129,700	$ 75,219,100	$129,348,800	$ 53,588,300	$ 66,612,900	$120,201,200
2. Burger King	27,831,800	18,389,600	46,221,400	25,273,200	16,421,400	41,694,600
3. Kentucky Fried Chicken	20,371,000	15,290,100	35,661,100	16,771,600	11,969,000	28,740,600
4. Wendy's	8,760,700	15,819,700	24,580,400	9,036,400	10,301,900	19,338,300
5. Red Lobster Inns	—	24,578,700	24,578,700	—	16,319,600	16,319,600
6. Pizza Hut	10,103,900	14,005,800	24,109,700	12,080,400	5,295,400	17,375,800
7. Long John Silver's	—	20,161,900	20,161,900	—	15,127,700	15,127,700
8. Denny's	9,168,100	5,277,000	14,445,100	4,432,100	4,376,000	8,808,100
9. Arby's Drive-In	3,921,200	7,192,700	11,113,900	3,997,300	7,944,200	11,941,500
10. Taco Bell	—	10,396,700	10,396,700	—	8,035,300	8,035,300
11. Jack-in-the-Box	—	9,799,600	9,799,600	—	8,326,300	8,326,300
12. Hardee's	—	8,330,700	8,330,700	491,800	7,685,800	8,177,600
13. Sizzler	—	7,873,000	7,873,000	—	6,416,000	6,416,000
14. Dairy Queen	—	6,377,400	6,377,400	—	6,127,800	6,127,800
15. Burger Chef	—	6,168,400	6,168,400	—	4,968,700	4,968,700

SOURCE: Television Bureau of Advertising, based on Broadcast Advertisers Reports (BAR) figures.

long lead over the emerging technologies such as microwave, pay TV and satellite communications, the great wiring of America has not been as spectacular as earlier forecasters predicted.

The problem, basically, is there is no established method for rating audiences with cable as there is on regular television. Consequently, foodservice advertisers are reluctant to spend money on what remains a judgment call with no hard data. (At this time total advertising revenues for cable TV are only $251.8 million. Foodservice *alone* accounts for almost $400 million on local and network TV.)

Some savvy marketers have used this situation for their advantage, however. In Cincinnati a group of six restaurateurs recently agreed to an experiment conducted by Qube TV, based in Columbus, Ohio.

Using a two-way interactive system, which allows viewers to communicate directly with a computer run by the broadcaster, six 10 minute mini-shows called "Dining out in Cincinnati" were aired. Featuring such upscale restaurants as La Maisonette, owned by the Comisar family, viewers saw a local radio personality enjoying one of the house specialities prepared tableside. At the conclusion of the 10 minute segment the diner says that anyone wishing to receive a copy of the entree's recipe, and a facsimile of the retaurant's menu, should touch the interactive button on their home sets. Almost instantly, a computer tied into the interactive device began printing out a mailing label for the requested items. It also placed the respondent's name on a list which was followed up later with direct mail promotions.

The other featured restaurants were: the Grand Finale, in the Cincinnati suburb of Glendale; The Sovereign, and Edward's, both in Cincinnati; The Golden Lamb, also owned by the Comisars, in nearby Lebannon; and the Mike Fink, a floating restaurant on the Ohio River.

Larry Youse, owner of the Grand Finale, says that while he did receive comments from some customers on the show, he finds coverage by the local press much more effective in bringing customers into the restaurant.

But to those in the broadcast industry, the interactive system, as demonstrated in Cincinnati, appears to be the future direction of cable. Because it allows for an indisputable measurement of audience participation, and the consequent direct mail follow ups, interactive is viewed as the vehicle which will allow cable to keep its commanding subscriber and advertising revenue lead over the new communications technologies.

As a bonus for foodservice marketers, media buying firms claim that the opportunity for bargain, or "sweetheart" deals, now exist in cable due to competitive pressure from microwave and satellite systems. Now is the time to buy, if you are willing to go with a judgment call, they say, because the rates will never be cheaper. □

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